

Now let us look at the Democrat plan that the House defeated here. Currently seniors pay a premium and receive reimbursement for a portion of their doctor and hospital costs through Medicare. Under the Democrat's plan, they would use the new government benefit to reduce the cost of pharmaceutical drugs.

Now, what does this mean? The Democrat plan puts government in charge of seniors' prescription drug through the Health Care Financing Administration, HCFA. They run Medicare now. The government would choose and control a drug purchasing contractor for every region of the country; in other words, a new government one-size-fits-all program.

This is key, because a recent survey of seniors with drug coverage found that, by a margin of 2 to 1, they preferred private insurance coverage to government price controls. That being said, the Democrats' measure offers premiums that would range from \$25 to \$35 month, but with no deductible. Medicare would reimburse half of drug costs, up to \$2,000 annually, and all costs above \$4,000 per year.

However, the real question, my colleagues, our seniors are faced with, is who do they trust to run their prescription drug program, the government or the private sector? Do they want to make their own choices and control how their money is spent, or do they want a government-run plan that leaves them without any say about what works best for them?

I believe the choice is clear, Madam Speaker. We offer a plan here, the Republicans, that is voluntary, universal, affordable, with choice and security. For those seniors who are happy with what they have, they do not have to participate, but those that do can.

I believe we can and must work together in a bipartisan manner to help Medicare beneficiaries gain access to affordable prescription drugs. This bill offers coverage that is affordable, accessible, and voluntary for our seniors.

#### USING THE TAX CODE TO BUILD SCHOOLS IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from California (Mr. SHERMAN) is recognized during morning hour debates for 5 minutes.

Mr. SHERMAN. Madam Speaker, here we are, a week before the election. The President is keeping Congress here in Washington, and I think with good reason. One of those reasons is the tax bill which we passed last week, a tax bill which should not be signed by the President until it is made better, particularly on the issue of school construction.

Now, I know it sounds odd to think in terms of a tax bill helping school con-

struction, but in fact we have a tradition in this country of the Federal Government helping school districts build schools through the Tax Code. What we do is we provide that the interest paid on school bonds is tax exempt, and for this reason investors are willing to buy school bonds that pay only 4 or 5 percent interest at a time when they could be earning 7 or 8 percent in taxable bonds. We subsidize the interest cost to encourage school districts to issue bonds and build schools.

Building on that tradition, we Democrats have suggested that a new kind of municipal bond or school bond be issued by school districts in which we, the Federal Government, would in effect pay the entire interest cost. We would provide a tax credit to those who hold the bonds in lieu of them collecting any interest from the school districts. We would go from merely subsidizing the interest cost to actually paying the interest costs on \$25 billion worth of bonds over the next 2 years.

The effect of this would be dramatic for school districts. A school district that would otherwise have to pay \$100,000 a year in order to make payments on school bonds would instead pay \$66,000 a year on those same bonds, reducing its cost by roughly one-third, allowing it to build a new school for only two-thirds of what would otherwise be the cost.

We Democrats have insisted, and the President has insisted, that \$25 billion of these bonds be authorized over the next 2 years. Instead, this tax bill provides only half of these very valuable incentives and facilitators for school construction. What the bill provides is \$15 billion over 3 years, less than half the \$12.5 billion per year that we would like to see.

Moreover, the tax bill that left this House weasels on the Davis-Bacon language, so that school districts can pay substandard wages to build substandard schools in inadequate quantities.

But our Republican colleagues have done something else that we would not do to supposedly help school districts. What they have done is something that will cost the Federal Government over \$2 billion, but is actually worse than nothing for our school districts. They have announced to school districts that they should not use school bond proceeds to build schools for about 4 years; that, rather, they will be allowed to play the market with that money and keep the proceeds.

This will be tempting to school districts who are told, look, you can borrow money at only 5 percent interest, lower than anybody else who is playing the market, and then you can play Wall Street with that advantage. Is that the way we should help school districts build schools? I think not. We should be trying to build a school on

Elm Street, not a skyscraper on Wall Street.

We should remember how Orange County, California, went bankrupt, when it decided to play the market with funds in the county treasury, and we should not tell school districts that our way of helping them is to encourage them to use school bond proceeds to play the stock market. We should provide more to school districts than a free ticket to Las Vegas, and a chance to take the school bond proceeds and bet them on the pass line or the do not pass line.

Where does the impetus for this phenomenally bad idea come from? It comes from my friends, the Tax Bond Council.

Now, I practiced tax law for a dozen or more years, and it was a kind of boring job. But when I emerged from reading the regulations in the smallest type I had but one solace; at least my job was not as boring as the subspecialist tax lawyers who worked with tax exempt school bonds. They need some excitement, but not a free trip to Wall Street with the tax exempt bond proceeds.

#### MEETING HALFWAY ON THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized during morning hour debates for 5 minutes.

Mr. GUTKNECHT. Madam Speaker, last week my wife went out to lunch with some of her friends and she told them that Gil was still in Washington and that they were still negotiating the final details of the budget, and they were surprised to learn that. In fact, we now know that most Americans are somewhat surprised that Congress is still in session.

The rumor started back in September that perhaps the President would hold the Congress hostage here in Washington, perhaps to gain some political advantage, perhaps to force some kind of a showdown and perhaps even a government shutdown. But, to the credit of the leadership here in the Congress, we have been pleasantly persistent, we have been negotiating in good faith, and, as a result, we have many of the details worked out. Frankly, I think the ones that are remaining are more about partisan politics than anything else, and simply trying to embarrass the Congress.

As you can see by this chart, these numbers are kind of small, but, frankly, in terms of what we have appropriated versus what the President requested, the differences really at this point do not seem to be very large. We have appropriated more for national defense than the President originally requested and a little bit less in a few

other categories, and, as a budgeteer, I have to say I am a little surprised we are actually spending more than we originally said in our original budget document. One of the things I thought was important was we ought to make it clear that the Federal budget should grow at a rate slower than the average family budget. For the most part, that has been what has happened.

But this year, of course, Washington has a big budget surplus, and, guess what happens when Washington has a big budget surplus? People want to spend it. This is not a partisan issue either. There are Republicans who want to spend the surplus, there are Democrats who want to spend the surplus, and certainly the people down at the other end of Pennsylvania Avenue want to spend that surplus.

So what has happened is the Congressional leaders have said that at least 90 percent of that surplus ought to go to pay down debt, because all of us believe there is something fundamentally immoral for this generation to leave a debt to the next generation. As a result, we will have paid off \$350 billion in publicly held debt, in fact, we have right now, and by the end of next year that number could well exceed \$500 billion worth of debt held by the general public that this Congress will have paid off.

That is good news. But the President seems to be a moving target, because as soon as we agree to one thing, the President says, oh, no, what I really want is more money here. We really need to spend more money on this.

Now the issue of school construction comes up. As you can see, in terms of education we are spending about exactly as much money as the President requested. The problem is not how much are we going to spend on children, the question is who gets to do the spending?

Many of us feel very, very strongly that if you are going to authorize more money to be available for school construction, that those decisions ought to be made by the people who know the children's names. We do not think it ought to be done by the Department of Education, because the record of the Department of Education is not good.

For the third consecutive year, the Federal Department of Education has failed its audit. In fact, last year we are told by our own accounting office, the General Accounting Office, there is about \$100 million that the Department of Education cannot account for. Now, we do not think it is a good idea to turn even more authority over spending school bond money to the Federal Department of Education. We feel pretty strongly about that.

We also feel pretty strongly that it would be a huge mistake to grant blanket amnesty to millions of illegal aliens. Now, we are willing to allow families to be reunited, we are willing

to make accommodations. We are willing on spending and policy issues to meet the President more than halfway. But sometimes he will not even accept "yes" for an answer.

Clearly, some people in this town are putting partisan politics above the needs of the American people. The real question comes down to this, and we have never gotten a clear answer from the administration or from our friends on the left here in Congress: How much is enough? We are willing to spend, and we believe that \$1.9 trillion is more than enough to meet the legitimate needs of the American people, the Federal Government and those who depend upon it. We believe that \$1.9 trillion is fiscally responsible. We are still spending more than I would like to see spent.

But the President continues to say, well, that is not quite enough. But he will not give us a number. We are more than willing to meet the President more than halfway, but we are not willing to compromise America's future. We want to take at least 90 percent of that surplus to pay down the publicly held debt. Most importantly, that is what the American people want us to do.

We are more than willing to compromise and meet with the President and work out some agreement that is in the best interests of the American people. The real question is, is he?

#### GETTING THE WORK DONE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. DEFazio) is recognized during morning hour debates for 5 minutes.

Mr. DEFazio. Madam Speaker, today on the floor and last night I have heard a lot of creative rhetoric and whining from the Republican side of the aisle. They are whining that highly paid Members of Congress, themselves, are here in Washington actually having to work, to be a bit inconvenienced, to even work on a weekend.

Well, why do they have to work? They say the president is guilty. Well, in fact, the President is a little bit guilty in this matter. He is guilty, as is any lenient parent in dealing with spoiled children.

The budget is due October 1. It is set by law. We all know that. The budget was due on October 1. Were the appropriation bills done on October 1? Heck no. And what did Congress do right around October 1? It went home for a 5 day weekend, and then it went home the next week for a 5 day weekend, and then the next week.

How did they get away with that? Well, the president, as I said, being, unfortunately, a little too lenient with the other side of the aisle, allowed them to go home with their work un-

done by giving them longer term continuing resolutions.

I voted against every one of them. I felt they should have been held to a one day standard at the beginning, I think they should be held to a one hour standard now. If Congress has to stay in session 24 hours a day to get the work done, get it done.

Now, they say, well, it is the President's fault. Well, gee, how can it be his fault, when you have not even sent two of the largest spending bills downtown yet? He has not seen them. The Senate has not passed them. He has not even had an opportunity to veto them, if he is going to.

No, that is awfully strange creative rhetoric. It reminds me a lot of teaching a class, and the kids come in, and they knew all along there was a term paper due, June 1. Well, excuse me teacher, we just did not get it done.

Well, gee, I am sorry, someone sick in the family, you sick, death in the family or something?

No, we just did not get it done. We would like another week.

If the teacher gives them another week, what are they going to say the next week?

Hey, Teach, it was really nice; it was early June, the weather was great, we did not get it done. Give us another week.

You cannot do that, and that is finally what the President is doing here. He is telling the Republicans, get your work done, one day at a time. You are going to stay here until the work gets done.

It is inexcusable to be almost on the first of November. I mean, if they want to score their political points, they can send down defective bills that the president will veto, but they will not even do that. They will not even allow him to veto the bills with the concerns he has. They are just holding them here.

So if anybody is holding them hostage, the Republican majority in Congress is holding itself hostage and whining about it. That is kind of pathetic.

I heard some awfully interesting things about prescription drugs. Let us get one thing clear: The Republican plan that passed this House gives a subsidy to insurance companies in the hope that they might, might, offer a prescription drug only benefit plan to seniors. However, the head of the Health Insurance Industry Association has already said they are not interested in that. They cannot make enough money on something like that, and, if they did, besides that, the drugs would be really expensive.

So the Republican plan not only provides subsidies to the insurance industry, it provides subsidies to the pharmaceutical companies. This is a great plan. But, guess what? If does not put any cap or set any conditions on the